



May 3, 2005

Delphi Corporation
Attn: Beverly Gaskin
Director of Purchasing – Delphi Saginaw
3900 Holland Road
Saginaw, MI 48601

Subject: Quadrasteer program

Dear Bev,

We have reviewed your letter dated March 21, 2005, regarding the Quadrasteer program and are unclear as to Delphi's position regarding the cancellation of the GMT900 Quadrasteer Program. Delphi communicated verbally that GM had cancelled the GMT900 Quadrasteer program and based on this feedback, we considered the GMT900 Quadrasteer Program cancelled and thus prepared a cancellation claim that included all of the incurred development costs associated with supporting the program.

In our letter dated March 9, 2005, Motorola informed Delphi that our cancellation claim was \$8.3M. The summarized claim is based on the Long Term Contract ("LTC"). The LTC is a requirements contract that obligates Delphi to purchase its entire requirements of GMT900 Quadrasteer controllers from Motorola. Program cancellation is not addressed in the LTC; however, Motorola's Terms of Sale, which were incorporated by reference in Section 10 of the LTC do cover termination of the agreement. Motorola has met its obligations under the LTC and therefore is entitled to compensation. See Attachment A for further detail discussion.

Attachment B includes a summary of the engineering effort incurred, our cost of capital invested in the program, and our expected lost profits.

I would like to schedule a meeting to resolve this issue. If we are unable to review a clear plan for closure within the next two weeks, we will expect your participation with mediation. Please provide me with several dates that fit within your schedule.

Best Regards,

A handwritten signature in black ink, appearing to read 'Adrian Schaffer'.

Adrian Schaffer
Director Tier One Sales



ATTACHMENT A

CONTRACT CLAIM

Attachment B sets forth a summary of our claim broken down into engineering effort incurred, our cost of capital invested in the program, and our expected lost profits.

The summarized claim is based on the Long Term Contract signed on November 1, 2002 (the "LTC"). The LTC is a requirements contract, which means that Delphi committed to purchase its entire requirements of GMT900 Quadrasteer controllers from Motorola. The term of the LTC runs until the end of 2011, this means that Motorola made its investments for the long term. The price is based on volume as stated in Section 3 of the LTC and Appendix C. Motorola generated several quotes in-line with requested volumes scenarios from Delphi throughout the development stage of the program (Refer to Attachment B). With GM's cancellation of the GMT900 Quadrasteer program there is no realistic possibility that volumes will ever reach the level that was forecasted in the LTC. At no time did Motorola fail to perform its obligations under the LTC, nor did Motorola ever state its intention to do so. There is nothing wrong with trying to amend a contract when it becomes obvious that all of the business assumptions that originally underlie the contract have changed.

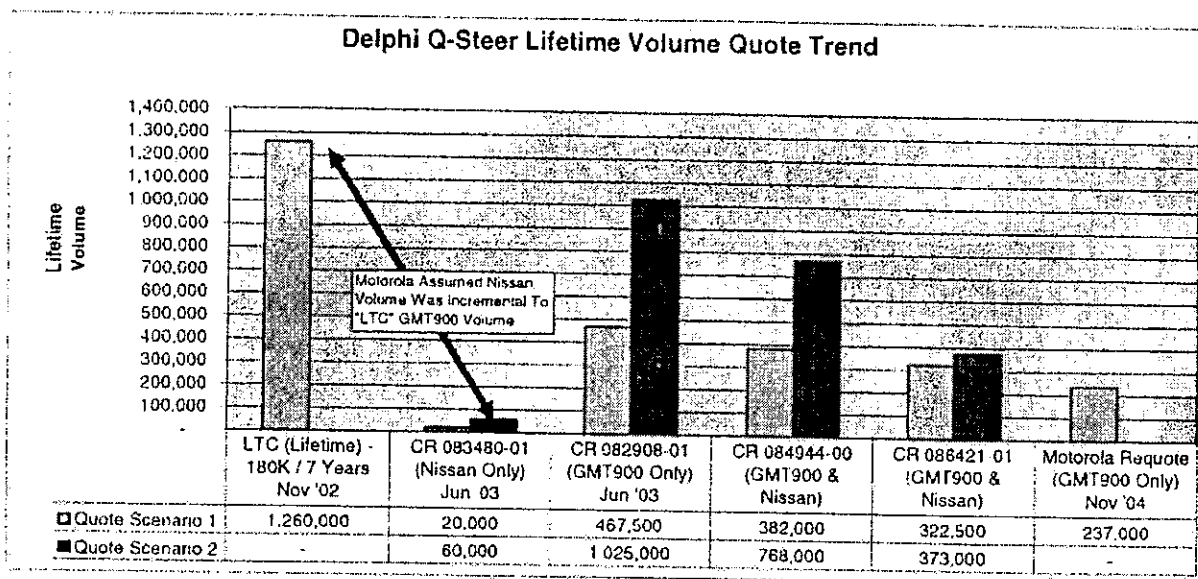
The issue of program cancellation is not addressed in the LTC; however, Motorola's Terms of Sale, which were incorporated by reference in Section 10 of the LTC, do cover termination of the agreement. Section 4 of the Motorola Terms of Sale provides that if Delphi terminates the agreement Delphi will be responsible for "Motorola's incurred costs, committed costs and a reasonable contract profit.

It is unclear to what extent Delphi's terms are incorporated into the LTC, since they would only apply to individual orders. The LTC clearly states that Motorola objects to the Delphi terms, though a handwritten, unsigned comment also appears to reject the Motorola terms. Section 11 of Delphi's terms also allow Motorola to collect damages for termination of an order, though the calculation of damages might be different.

Section 12 h. of the Motorola Terms of Sale provides that the parties will submit any claim or dispute to non-binding mediation before initiating any former legal process.



Attachment B



Total Engineering	\$4,152,864
Cost Of Capital	\$708,088
Lost Profits/ SG&A	\$3,524,201
Total Claim	\$8,385,154